

County of Santa Clara

Office of the County Assessor

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Lawrence E. Stone, Assessor

Attention: New Business Owners

As a new Business you may under certain circumstances be required by California State Law to annually report the cost of your business personal property (i.e. equipment, furniture, computers, etc.) and improvements (i.e. leasehold/tenant improvements, trade fixtures etc.) to the Assessor and are responsible for the potential taxes on that property. To help us determine whether or not you have assessable business assets and should receive a Business Property Statement (Form 571-L) for the current year and annually in the future, please complete and return this questionnaire.

By providing the information below, you will assist us in the efficient use of your tax dollars by helping to eliminate estimated assessments, mandatory penalties and/or corrections. Please see attached for commonly asked questions and answers. If you have further questions, please call our Business Division at (408) 299-5400.

1. Owner's legal name

2. "Doing Business As" name if different from Line 1 above

3. Location (situation) of business.

(Street address and city in Santa Clara County)

4. Mailing Address

(If different from Line 3)

5. Contact name and telephone number

6. Date business began at this location

7. Date business began in Santa Clara County if different from Line 6.

8. If you purchased an existing business,
Please indicate the prior owner's name

9. Type of Business: Sole Proprietor, Partnership, Corporation, Trust

10. Description of Business:

(Such as, machine shop, beauty salon, retail clothing store, consultant, accountant, dentist, physician, electronic manufacturer.

11. Estimated total cost of all equipment used in your business \$ _____. Please include machinery and equipment, tools, furniture, computers, leasehold improvement etc., (NOTE: Do not include licensed vehicles, business inventory or software). Cost data is typically part of the information required to be reported annually on the Business Property Statement and is the basis for determining the assessable value of your business property.

Information furnished will be treated as CONFIDENTIAL.

Signature and Title _____ Date _____

Our goal is to inform and assist you with business property taxation matters in your efforts to operate a successful business in Santa Clara County. When you receive Form 571-L, or at any other time, please feel free to contact us if you have any questions at **(408) 299-5400**. Our office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding holidays. You may return this questionnaire in person, or by mail to the address above. If you would like, you may do so by fax to **(408) 298-9441**.

You may also provide any comments on the reverse side of this form.

Following are a few of the most frequently asked questions and answers about business personal property taxation. Additional information about business property reporting and filing requirements can be found on the Assessor's Web Site.

1.) Why are you taxing my business assets ?

The State Constitution says ALL property is subject to property tax. Most people are familiar with the property taxes on their home. Similarly the assets of business are subject to assessment.

2.) What is Business Personal Property?

Business property is any tangible property owned, claimed, used, possessed or controlled in the conduct of a trade or business. In general, business personal property is ALL property owned or leased by a business except real property and inventory. Inventory is property held for sale or lease to others in the course of your business operations.

3.) What business assets do you tax ?

All machinery, office furniture and equipment, non licensed vehicles, process or trade fixtures, and any inventory that is out on rent or lease on January 1. Stand alone computer programs like Excel and D-Base, business inventories, licensed vehicles and any intangible assets are exempt from assessment.

4.) How is the assessed value determined?

Assessment begins with the cost of the asset, including sales tax, freight and installation, but not including any trade in. This cost basis is generally the same as your tax basis. The assessor applies a depreciation factor to the assets cost and this becomes the assessed value. The depreciation schedule is different from the tax depreciation schedule your tax accountant uses. Our depreciation schedule is based on expected economic life.

5.) How much will my taxes be ?

The tax rate is usually a little more than 1% of the assessed value. Generally, using a rate of 1.2% will give a conservative estimate. For example, if your business assets cost basis is \$15,000, and the depreciated assessed value is \$12,000, your property taxes on your business assets will be about \$145.

6.) When do I get my bill?

If you do not own the real property where the business is conducted, and if the business property statement was filed timely, you should receive your bill by the end of July. Payment will become delinquent and subject to penalties and interest after August 31st. If you own the real property, the assessed value of your business assets may be added to the value of the real property and you will pay the taxes in your November and March tax payments.

7.) Is my Business Property Statement confidential?

Yes, by law the Business Property Statements are confidential documents and are held in secret by the Assessor.